

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)
) No. G 98-2
)
The Market Conduct Examination) FINDINGS, CONCLUSIONS, AND
of United Services Automobile Association) ORDER ADOPTING REPORT
Group (AUSAA@).)
)

BACKGROUND

An examination of the market conduct of United Services Automobile Association Group (AUSAA@) (the Companies) as of December 31, 1996, was conducted by market conduct examiners of the Washington State Office of the Insurance Commissioner. The Companies are insurers under RCW 48.04.030. This examination was conducted in compliance with the laws and regulations of the State of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the Office of the Insurance Commissioner.

The examination report with the findings and recommendations was transmitted to the Companies for comments on November 26, 1997. Responses to the draft report were received on December 30, 1997. The Companies did not request a hearing.

The Commissioner or a designee has considered the report, the relevant portions of the examiner work papers, and the submission by the Companies.

Subject to the right of the Companies to demand a hearing pursuant to chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

The Commissioner adopts as findings the findings of the examiners as contained on page 16 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct of the Companies.

ORDER

The examination report as filed, attached hereto and incorporated by reference, is hereby **ADOPTED** as the final examination report.

It is **ORDERED** that the Companies comply with the Instructions in the Report, as follows:

1. The Companies are instructed to amend their underwriting practices and guidelines to comply with WAC 284-30-700 regarding refusal to write coverage on homeowners or homes rented by the insured because there is a day care facility on the premises. (Page 13)
2. The Companies are instructed to comply with WAC 284-30-390(a) to ensure that all applicable taxes and fees are paid on total losses. (Page 10)

ENTERED at Lacey, Washington, on January 14, 1998.

DEBORAH SENN

Insurance Commissioner

By:

WILLIAM E. FRANSEN

Deputy Commissioner